010048
92 14 1925
Q34781

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

RECEIVED
111
16 Jan
V
92-2254

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-8467

WESBANCO, INC.
(Exact name of registrant as specified in its charter)

West Virginia	55-0571723
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1 Bank Plaza, Wheeling, WV	26003
(Address of principal executive offices)	(Zip Code)

304-234-9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or, for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Outstanding at April 30, 1992, 2,706,664 shares.

PROCESSED BY
16-15-V
MAY 18
BEST COPY AVAILABLE
Microfilmed by
Q-Data Corp. - St. Petersburg, FL

PART I FINANCIAL INFORMATION

Consolidated Balance Sheets at March 31, 1992 (unaudited) and December 31, 1991, Consolidated Statements of Income, Consolidated Statements of Changes in Shareholders' Equity and Consolidated Statements of Cash Flows for the three months ended March 31, 1992 and 1991 (unaudited) are set forth on the following pages. In the opinion of management of the Registrant, all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial information referred to above for such periods, have been made. The results of operations for the three months ended March 31, 1992 are not necessarily indicative of what results will be for the entire year. For further information refer to the Annual Report to Shareholders which includes consolidated financial statements and footnotes thereto and WesBanco, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1991.

Earnings per share was computed by dividing net income by the average number of shares outstanding during the period.

WESBANCO, INC.
CONSOLIDATED BALANCE SHEET
(dollars in thousands)

	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
Cash and due from banks	$ 25,078	$ 30,559
Due from banks - interest bearing	1,100	1,600
Federal funds sold	28,355	23,435
Investment securities:		
U.S. Treasury and other U.S. Government agencies and corporations	237,179	220,920
States and political subdivisions	67,989	67,361
Other	13,162	11,326
Total investment securities	318,330	299,607
Loans-net (Notes 1 and 2)	441,377	439,904
Bank premises and equipment - net	13,774	13,585
Accrued interest receivable	9,456	9,439
Other assets	7,014	6,547
TOTAL ASSETS	$844,484	$824,676
LIABILITIES		
Deposits:		
Non-interest bearing demand	$ 63,289	$ 68,518
Interest bearing demand	176,347	164,390
Savings deposits	140,762	121,743
Certificates of deposit	321,053	324,075
Total deposits	701,451	678,726
Federal funds purchased and securities sold under agreements to repurchase	32,064	35,792
Short-term borrowings	5,536	7,626
Dividends payable	947	914
Accrued interest payable	4,637	4,988
Other liabilities	5,372	4,278
TOTAL LIABILITIES	750,007	732,324
SHAREHOLDERS' EQUITY		
Preferred stock, no par value; 100,000 shares authorized; none outstanding	---	---
Common stock, $4.1666 par value; 10,000,000 shares authorized; 2,714,144 shares issued	11,309	11,309
Capital surplus	15,852	15,852
Capital reserves	2,139	2,139
Retained earnings	65,559	63,401
Less: Treasury stock at cost (7,480 and 6,480 shares respectively)	(221)	(188)
	94,638	92,513
Deferred employee benefit related to ESOP	(161)	(161)
TOTAL SHAREHOLDERS' EQUITY	94,477	92,352
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$844,484	$824,676

WESBANCO, INC.
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)
(In thousands, except share and per share amounts)

	For the three months ended March 31,	
	1992	1991
INTEREST INCOME:		
Interest and fees on loans	$ 10,938	$ 11,012
Interest on investment securities:		
U.S. Treasury and other U.S. Government agencies and corporations	4,599	4,851
States and political subdivisions	1,116	1,237
Other	242	209
Other interest income	265	312
Total interest income	17,160	17,621
INTEREST EXPENSE:		
Interest on deposits	8,288	9,474
Interest on other borrowings	415	669
Total interest expense	8,703	10,143
NET INTEREST INCOME	8,457	7,478
Provision for possible loan losses	415	306
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN LOSSES	8,042	7,172
OTHER INCOME:		
Trust fees	1,016	875
Service charges and other income	1,002	925
Net securities transaction gains	225	6
Total other income	2,243	1,806
OTHER EXPENSES:		
Salaries, wages and fringe benefits	3,161	3,062
Premises and equipment - net	682	611
Other operating	2,029	1,905
Total other expenses	5,872	5,578
Income before income taxes	4,413	3,400
Provision for income taxes (Note 3)	1,307	837
NET INCOME	$ 3,106	$ 2,563
Earnings per share of common stock	$ 1.15	$ .95
Dividends declared per share	$ .35	$ .3375
Average outstanding shares of common stock	2,706,773	2,705,388

WESBANCO, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(in thousands)

	For the three months ended March 31,	
	1992	1991
Total Shareholders' Equity Balance, beginning of period	$92,352	$85,519
Net Income	3,106	2,563
Common stock dividends	(948)	(845)
Net purchases of treasury shares	(33)	(17)
Net changes in market values of equity securities	---	182
Net change in Shareholders' Equity	2,125	1,883
Total Shareholders' Equity Balance, end of period	$94,477	$87,402

WESBANCO, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(Unaudited) (in thousands)

	For the three months ended March 31,	
	1992	1991
Cash flows from operating activities:		
Net Income	$ 3,106	$ 2,563
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	296	282
Provision for possible loan losses	415	306
Investment amortization - net	554	328
Gain on sales of investment securities	(225)	(6)
Deferred income taxes	(57)	(207)
Other - net	26	4
Increase or decrease in assets and liabilities:		
Interest receivable	(17)	435
Other assets	(447)	(284)
Interest payable	(351)	(659)
Other liabilities	1,110	613
Net cash provided by operating activities	4,410	3,375
Investing Activities:		
Proceeds from sales of investment securities	7,255	499
Proceeds from maturities and calls of investment securities	20,305	28,018
Purchases of investment securities	(46,113)	(25,248)
Net increase in loans (except charge card loans)	(3,185)	(2,577)
Net decrease in charge card loans	1,297	860
Purchases of premises and equipment - net	(490)	(90)
Net cash used by investing activities	(20,931)	1,462
Financing activities:		
Net decrease in certificates of deposit	(3,022)	(8,863)
Net increase (decrease) in demand and savings accounts	25,747	(6,388)
Increase (decrease) in federal funds purchased and repurchase agreements	(3,728)	4,860
Increase (decrease) in short-term borrowings	(2,090)	124
Dividends paid	(914)	(831)
Other - net	(33)	(17)
Net cash provided by (used by) financing activities	15,960	(11,115)
Net decrease in cash and cash equivalents	(561)	(6,278)
Cash and cash equivalents at beginning of year	53,994	52,216
Cash and cash equivalents at end of period	$ 53,433	$ 45,938

For the three months ended March 31, 1992 and 1991, WesBanco paid $9,055 and $10,801 in interest on deposits and other borrowings and $95 and $270 for income taxes, respectively.

As of March 31, 1992 and 1991, in-substance foreclosure loans and other real estate owned amounting to $65 and $30, respectively, were transferred from the loan classification to Other Assets resulting in a non-cash transaction.

WESBANCO, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - LOANS:

	March 31, 1992	December 31, 1991
	(in thousands)	
Loans:		
Commercial	$130,590	$136,947
Real Estate-Construction	6,212	4,093
Real Estate-Mortgage	182,383	174,382
Installment	129,559	131,710
	448,744	447,132
Deduct:		
Unearned income	(690)	(727)
Reserve for possible loan losses (Note 3)	(6,677)	(6,501)
	(7,367)	(7,228)
	$441,377	$439,904

NOTE 2 - RESERVE FOR POSSIBLE LOAN LOSSES:

	For three months ended March 31, 1992	1991
	(in thousands)	
Balance at beginning of period	$6,501	$6,161
Reserves of purchased bank	62	---
Recoveries credited to reserve	114	91
Provision for loan losses from income statement	415	306
Losses charged to reserve	(415)	(329)
Balance at end of period	$6,677	$6,229

NOTE 3 - INCOME TAXES:

A reconciliation of the average federal statutory tax rate to the reported effective tax rate is as follows:

	For the three months ended March 31,	
	1992	1991
Federal Statutory tax rate	34%	34%
Tax-exempt interest income from securities of states and political subdivisions	(9)	(13)
State income tax - net of federal tax effect	3	3
All other - net	2	1
Reported effective tax rate	30%	25%

NOTE 4 - ACQUISITIONS AND MERGERS:

On November 25, 1991, WesBanco and First National Bank of Barnesville, located in Barnesville, Ohio, executed an Agreement and Plan of Merger providing for the merger of First National Bank of Barnesville with WesBanco. The merger is subject to a number of conditions including approval by shareholders of First National Bank and WesBanco, Inc. and by regulatory authorities. Subject to such conditions, it is anticipated that the merger should be consummated in the third quarter of 1992. Upon consummation, each holder of First National Bank of Barnesville common stock will receive 12 shares of WesBanco, Inc. common stock for each share of First National Bank of Barnesville resulting in the issuance of approximately 600,000 shares of WesBanco common stock. First National Bank of Barnesville had total assets as of March 31, 1992, approximating $144,000,000 and net income for the three month period ending March 31, 1992 of $413,000.

NOTE 4 - ACQUISITIONS AND MERGERS: (cont)

On February 10, 1992, WesBanco Bank Wheeling, a subsidiary of WesBanco, Inc., acquired the Bank of Follansbee of Follansbee, West Virginia. The acquisition was accounted for as a cash purchase of the net assets by WesBanco Bank Wheeling. The Bank of Follansbee had total assets of approximately $18,127,000 as of February 10, 1992.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Effective February 10, 1992, WesBanco, Inc.'s subsidiary, WesBanco Bank Wheeling, acquired all of the assets and assumed the liabilities of the Bank of Follansbee with the transaction accounted for as a cash purchase. After adjustment of assets to fair value, there was no significant goodwill recorded. The financial information for March 31, 1992 includes the acquired assets and liabilities of the Bank of Follansbee. Net income of the operations of the Bank of Follansbee is included in the Consolidated Statement of Income subsequent to the acquisition date. The Bank of Follansbee was merged into an existing WesBanco affiliate bank.

Comparison of the three months ended March 31, 1992 and 1991

Net income for the three months ended March 31, 1992 was $3,106,000, a 21% increase over the same period during 1991. Earnings per share for the same respective time periods were $1.15 and $.95. The improvement in net income can be attributed to increased net interest income and improved non-interest income.

Return on average assets (ROA) increased to 1.5% from 1.3% for the three months ended March 31, 1992 and 1991, respectively. Return on average equity (ROE) was 13.3% compared to 11.9% for the three months ended March 31, 1992 and 1991, respectively.

Current period loan interest rates are generally below levels noted in the previous comparative period. During the first three months of 1992, most banks' primary lending rates were at 6.5% while the rates for the first three months of 1991 ranged between 9.0% and 10.0%. Similar decreases in rates paid on deposit accounts also occurred between the comparable periods.

Total interest income decreased $461,000 or 3% between the three month periods ended March 31, 1992 and 1991. Interest and fees on loans decreased $74,000 or 1% primarily due to the decrease in the average rates earned on loans outstanding offset by an increase in the average balances of loans outstanding. Average rates earned on loans decreased by approximately .8%. Average balances of loans increased approximately $30,162,000 due to the acquisition of the Bank of Follansbee which had loans outstanding of approximately $10,029,000 on the acquisition date and due to increases in consumer and residential mortgage loans during the three months ended March 31, 1992. The increase in the consumer and mortgage loan demand was due to the banks offering competitive interest rates and to significant advertising for these types of loans. Interest on investments in U. S. Treasury and Agencies decreased $252,000 or 5%. Average outstanding balances of this type of investment decreased as did average yields by approximately .4% between the periods ending March 31, 1992 and 1991. The decrease in average

investments between March 31, 1992 and March 31, 1991 was caused by maturities of securities which were used to fund the loan growth. Interest earned on investments in states and political subdivisions decreased $121,000 or 10%. The average volume of this type of investment decreased approximately $4,703,000 due to maturities. The average yield on investments in states and political subdivisions decreased by approximately .2% due to the maturity of higher yielding investments in states and political subdivisions. Other interest income, primarily interest on federal funds sold, decreased $47,000. The average volume of federal funds sold increased by approximately $6,678,000 offset by a significant decrease in the average rate earned of approximately 2.3%. Increased savings and interest-bearing demand accounts were used as additional sources of funding for the increase in loans.

Total interest expense decreased $1,440,000 or 14% between the three months ended March 31, 1992 and 1991. Interest paid on deposits decreased $1,186,000 or 13%. Average total deposit volumes increased approximately $35,168,000 between the periods ended March 31, 1992 and 1991 offset by a decrease in average rates paid on all deposits of approximately 1.3%. The increase in the average total deposit volumes were partially due to the acquisition of the Bank of Follansbee which had total deposits of approximately $17,909,000 as of February 10, 1992. The remaining increase in deposits was caused by the normal growth in deposits. Interest expense on interest-bearing demand deposits increased $73,000. The average volume of this type of deposit increased by $33,400,000 while the average rate

decreased by approximately .9%. The interest rate paid on NOW and Money Market accounts decreased to 4.25% as of January 2, 1992, from 5.25% during the first quarter 1991. Traditional savings account interest expense increased $33,000. The average volume savings deposits increased approximately $16,749,000 offset by a decrease in the average rates paid by approximately .6%. The interest rate paid on traditional savings accounts decreased from 5.5% during the first quarter 1991 to 4.5% as of January 2, 1992. Certificates of deposit interest expense decreased $1,292,000. The average of outstanding balances decreased by $14,981,000 due to State of West Virginia deposits approximating $8,300,000 which were obtained in a competitive bid process maturing during the first quarter of 1991. Additionally, due to the lower rates offered on certificates of deposit during late 1991 and early 1992 many customers allowed their certificates to mature and withdrew those funds from the banks. Also, maturities of certificates of deposit were transferred to savings deposits which yielded a higher interest rate than the short-term certificates of deposit. Average rates paid on certificates of deposit decreased approximately 1.3% due to the decline of rates paid on new and rollover deposits. Interest on other borrowings, which primarily includes securities sold under agreements to repurchase, decreased $254,000. The average volumes decreased by approximately $3,815,000 along with a significant decrease in the average rates paid for these liabilities. Rates paid on repurchase agreements closely follow rates earned in the federal funds market.

Other income increased $437,000. This increase was due to the increase in trust fees of $141,000, the increase in service charges and other income of $77,000, and the increase in net securities transaction gains of $219,000. Trust fee income increased primarily due to increases in fees, higher market values and new trust accounts during the first three months of 1992. Subsequent to the first quarter 1991, certain service charges on deposit accounts were increased causing the increase in service charges and other income between the three months ended March 31, 1992 and 1991. Net securities transaction gains increased $219,000 between the three months ended March 31, 1992 and 1991 primarily due to the sale of $5,000,000 of U. S. Government Agency investments, with maturities of less than one year, resulting in approximately $160,000 of security gains.

Total other expenses increased $294,000. Salary expense increased $99,000 due to normal salary adjustments, increasing payroll taxes and health insurance. Other operating expenses increased $124,000 primarily due to an increase of the FDIC deposit insurance of $79,000.

The provision for loan losses increased $109,000 due to the increase in net charge-offs. Net charge-offs increased $63,000 between the periods ended March 31, 1992 and 1991. The reserve for loan loss was 1.49% of total loans as of March 31, 1992 and 1.46% as of December 31, 1991. Loans classified as nonaccrual loans and renegotiated loans, in-substance foreclosures and other real estate owned increased by $942,000 between March 31, 1992 and December 31, 1991. Total nonaccrual and renegotiated loans, in-substance foreclosures and other real estate owned were $12,136,000 or 2.7% of loans as of March 31, 1992.

Included in the in-substance foreclosures is a commercial real estate loan, approximating $835,000, purchased from a correspondent bank. Future charge-offs on this loan, if any, will depend upon the results of further reviews by the Shared National Credit examiners and management's further assessment of the loan.

Loans past due 90 days or more have increased to $928,000 or .2% of total loans as of March 31, 1992 from $742,000 or .2% of total loans as of December 31, 1991. The level of non-performing loans continue to be a result of the depressed commercial real estate market and the lack of industrial growth in the primary market areas.

The increase in the provision for income taxes was caused by the improved taxable income during the first three months of 1992 and the continued decline in non-taxable income.

Lending by WesBanco banks is guided by affiliate bank lending policies which allow for various types of lending. Normal lending practices do not include the acquisition of high yield non-investment grade loans or "highly leveraged transactions" ("HLT") from out of the primary market areas as described by uniform interagency definition of an "HLT" for supervisory purposes, jointly issued by the Federal Reserve Bank, the Comptroller of Currency and the Federal Deposit Insurance Corporation.

PART II - OTHER INFORMATION

Item 1 - 3 - Not Applicable

Item 4 - Results of Votes of Security Holders

On March 25, 1992, the annual meeting of the stockholders of WesBanco, Inc. was held. All nominees for directors listed in the proxy statement dated February 28, 1992 were elected. There was no solicitation in opposition to management's nominees as listed in the proxy statement. No business other than described in the February 28, 1992 proxy statement came before the meeting.

Item 5 - Not Applicable

Item 6 (a) - Exhibits

(15) Letter re unaudited interim financial information. Attachment I, page 16.

Item 6 (b) - Reports on Form 8-K

There were no reports on Form 8-K filed for the three months ended March 31, 1992.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WESBANCO, INC.

Date: May 14, 1992

Thomas G. Dove

Date: May 14, 1992

Paul H. Limbert
Executive Vice President and Controller

Price Waterhouse

Report of Independent Accountants

April 21, 1992

To the Shareholders and
Board of Directors of
Wesbanco, Inc.

We have made a review of the consolidated balance sheet at March 31, 1992, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the 3-month periods ended March 31, 1992 and 1991, of Wesbanco, Inc. and its subsidiaries in accordance with standards established by the American Institute of Certified Public Accountants.

A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical review procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

We previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1991, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended (not presented herein), and in our report dated January 28, 1992, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 1991, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements for them to be in conformity with generally accepted accounting principles.

Price Waterhouse